

division of municipal development



Mitt Romney, Governor
Kerry Healey, Lieutenant Governor
Jane Wallis Gumble, Director

Massachusetts
Department of Housing &
Community Development
1 Congress Street
Boston, MA 02114

(617)727-7765
<http://www.mass.gov/dhcd>

Urban Renewal Program *Fact Sheet*

Chapter 121B allows municipalities, through their redevelopment authorities acting as urban renewal agencies, to eliminate and redevelop substandard, decadent or blighted open areas for industrial, commercial, business, residential, recreational, educational, hospital or other purposes. Future development within these designated areas must be undertaken in accordance with use limitations specified in approved urban renewal plans.

Redevelopment Authorities are exempt from M.G.L. Chapter 30(b), the Uniform Procurement Act, when they are engaged in the development and disposition of real property in accordance with urban renewal plans. This exemption, coupled with the ability to use eminent domain powers, makes redevelopment authorities powerful tools for commercial revitalization, industrial park development, infrastructure improvements, facilities renovation and brownfield site remediation. Redevelopment Authorities are particularly effective in large scale redevelopment projects and in land assembly.

Urban renewal is a significant tool for revitalizing deteriorated areas by providing the economic environment needed to attract and support private investment.

A redevelopment authority is an independent body politic and corporate which is governed by a five-member board. A municipality must first establish the need for a redevelopment authority through a vote by municipal officers or at a town meeting. In a city, four members are appointed by the mayor or city manager and confirmed by the city council. In a town, four members are elected through town meeting and confirmed by the board of selectmen. The fifth member of the board, in both cities and towns, is appointed by DHCD. One member of the board must represent labor. Board member terms are staggered over five years. Following these steps, the Secretary of State will issue a certificate of organization.

A redevelopment authority has the power to:

- establish rehabilitation and design standards;
- assemble and dispose of land, including the taking of real estate through eminent domain;

(continued)

- relocate businesses and residents
- demolish and/or rehabilitate substandard structures;
- participate in real estate development and commercial revitalization;
- issue bonds, borrow money and invest funds;
- receive grants and loans;
- accept gifts or requests.

No urban renewal project may be undertaken until a public hearing relating to the urban renewal plan for the project is held before the city council or the municipal officers of a town and the plan is approved by local officials and by DHCD.

Approval process

The urban renewal plan is an application submitted by the municipality through its urban renewal agency to DHCD requesting approval of a redevelopment project. In order to approve the plan, DHCD must make the following six findings:

- without public intervention, the project/site would not be developed;
- the project will enhance/promote private investment;
- the financing plan is sound;
- the project area is a decadent, substandard or blighted open area;
- the plan is complete as required under Massachusetts regulations 760 CMR 12.00;
- a relocation plan is approved under Massachusetts General Law C. 79A.

An urban renewal plan must go through extensive public scrutiny from local residents, local officials and DHCD.

In the early 1960's, the federal government paid a large share of the costs of projects administered by redevelopment authorities; the state and individual municipalities each paid 50% of the local share required by the federal government. With the closeout of the federal Urban Renewal program, redevelopment authorities lost a key funding source. Now the Commonwealth of Massachusetts partially fills this gap with its Urban Revitalization Development Grant (URDG) Program. Funding is subject to appropriation by the state legislature.

For more information

Please contact DHCD's Division of Municipal Development at (617) 727-7001. The staff is also available by appointment to provide assistance with applications.